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C O N F I D E N T I A L BRIDGETOWN 000654

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STATE FOR WHA/CCA AND WHA/CAR
SOUTHCOM ALSO FOR POLAD

E.O. 12958: DECL: 05/23/2027

TAGS: ETRD ETTC PREL PINR PGOV CU BB XL

SUBJECT: BARBADOS: SUSPENSION OF TITLE III OF THE LIBERTAD ACT

REF: A. STATE 65523

1B. 06 BRIDGETOWN 2234 AND PREVIOUS

Classified By: Ambassador Mary Ourisman for reasons 1.4(b) and (d).

Summary

11. (C) Embassy Bridgetown recommends a waiver of the provisions of Title III of the Libertad Act for Barbados. Barbados and Cuba enjoy a good relationship. Both countries recently committed to deepening their relationship further through increased bilateral collaboration and exchange in a number of areas such as sports, health, education, agriculture, transportation, disaster mitigation, tourism, and science and technology. Singling out Barbadian entities or nationals for prosecution would most likely provoke strong public opposition and be counterproductive to USG interests.
End Summary.

Trade Agreements

12. (C) In February 2006, the Governments of Barbados and Cuba signed a bilateral trade agreement "for the promotion and protection of investments." The objective of the agreement is to encourage reciprocal protections and stimulate capital investment, business development and economic prosperity. Barbados also ratified a trade agreement between CARICOM and Cuba with similar objectives, which was incorporated into Barbados' domestic legislation in April 2006. In July 1999, Barbados concluded a tax convention with Cuba to prevent double taxation and fiscal evasion with respect to income taxation.

Investments

13. (C) The Canadian energy company Sherritt (www.sherritt.com) continues to operate two offshore companies in Barbados that it uses as a platform for investments in Cuba. The significant tax savings Canadian companies enjoy in Barbados, coupled with Barbados' tax and investment treaties with Cuba, mean there may be other Canadian companies using offshore subsidiaries in Barbados to enter the Cuban market.

Exchange Programs

14. (U) Barbados has been the recipient of Cuban scholarships

and Cuban-paid medical travel for Barbadians in need of eye surgery via the "Operacion Milagro" program. There is no wide-scale program to utilize Cuban doctors in the local health care system. However, the Barbados-Cuba Joint Commission agreed in December 2006 to examine the issue of accreditation of Barbadian medical graduates of Cuban universities. In addition, Barbados requested assistance from Cuba to provide specialized medical services for which there is no expertise in Barbados and for Barbadian medical professionals to access Cuban medical research and training institutions such as the Pedro Kouri Institute of Tropical Medicine. Barbados also requested Cuba's assistance to enhance its emergency response capacity for Cricket World Cup 2007.

¶ 15. (U) Barbados and Cuba intend to develop other exchange programs in the areas of sports development, primary education, sugar cane production technologies, disaster management, and the development of science and technology institutions in both countries. Barbados and Cuba also committed to exchange best practices in port security, passenger and cargo handling, and cruise ship management.

Democracy and Human Rights

¶ 16. (C) Barbados has done nothing to advance democracy and human rights in Cuba, but has instead shown solidarity with Cuba in international fora, particularly on matters related to the U.S. embargo. Barbados regularly votes to support pro-Cuba resolutions in the United Nations and almost never criticizes the Castro regime on its human rights record. Barbados Prime Minister Owen Arthur holds "The Order of Jose Marti of Cuba," Cuba's highest award for foreign heads of state and government.

High-Level Visits

¶ 17. (C) There have been no high-level diplomatic visits between Cuba and host country in the past six months. In the past, however, Fidel Castro visited Barbados to participate in memorial ceremonies related to the 1976 Cuban airliner explosion. (Note: In April 2007, three Barbadian community organizations--The July 26 Movement, Cuban Barbadian Friendship Association, and Cuban Five Justice Committee--wrote President Bush to protest the release of Luis Posada Carriles and demand his immediate extradition to Venezuela. The three organizations also condemned the handling of the Carriles case as "USA support for the terrorist act against the Government and People of the Republic of Cuba." These Cuba-friendly organizations do not appear to have a strong influence over the Barbados government, but do generate significant press coverage on very anniversary of the airline disaster. End Not.)

We Are No Cuba

¶ 18. (C) However, Barbados's support for and friendship with Cuba has its limits. In a public interview published in December 2006, Barbados' Attorney General Dale Marshall argued strongly against the possibility of Barbados turning to socialism in the future, despite recent leftist trends in the hemisphere. Marshall essentially relegated Cuban-style socialism to Barbados' dustbin of history when he said: "Barbados was caught up in that (socialism) 30 to 40 years ago, when that was a pervasive theme not just in our political arena but also in academia... I think we have gone past that, and we have tried to find a path that works for us and for Barbadians."

Comment

¶ 19. (C) Regardless of the good relationship between Barbados and Cuba, a suspension of Title III of the Libertad Act is in

the U.S. national interest, as diplomatic and/or economic pressure on Barbados is highly unlikely to have any effect on the country's position towards Cuba. The two countries have had solid diplomatic relations for over thirty years and consider each other "Caribbean brothers." In addition, such pressure would cause unnecessary harm to bilateral relations between the United States and Barbados. Actions against Barbadian nationals would also likely provoke a strong and public response from the Government of Barbados and be counterproductive, especially in light of the upcoming Conference on the Caribbean in Washington this June.

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